

Chong, Arnott predicting tough times ahead for small businesses

GRAEME FRISQUE
gfrisque@metroland.com

How many more government-imposed costs can local small businesses absorb before having to make some tough decisions?

That's the question being asked by both Michael Chong and Ted Arnott, elected representatives for Wellington-Halton Hills in Ottawa and at Queen's Park, respectively.

Their concerns arise from recent policy announcements at both levels of government, which they say will increase labour costs and the tax burden on many businesses and incorporated small business owners.

Both Chong and Arnott echoed concerns these new initiatives might just be too much for many businesses to absorb in the face of already high government and operating costs currently in place in the province.

In May of this year, as part of Bill 148, the Wynne government announced its plans to increase the provincial minimum wage from \$11.40 to \$14 on Jan. 1, 2018, and again to \$15 in early 2019 - a 32

per cent increase in just 18 months.

"We recognize that people need to have a living wage, but we think that the increase is coming too quickly and business owners are going to really struggle implementing it. That's what we hear from our local chambers of commerce and individual business owners," said Arnott, a Progressive Conservative member of provincial parliament.

"I think there are some people out there going to work every day who hear there's going to be a wage increase and are happy about it, there's no question about that," added Arnott. "But if they also realize and understand that it may mean fewer hours for them, it may mean fewer jobs in the overall economy, I think there are many who would say let's slow this down and take a long, hard look at it."

Even the government's own expert, the Financial Accountability Officer, has concluded raising the minimum wage so much, so quickly could end up costing 50,000 jobs.

"We've been told also that



Rob Beintema/Metroland

With labour rule changes from the Wynne government coming in the new year, and tax reform affecting self-employed professionals possibly on the way at the federal level, how many more costs can Ontario small businesses absorb before it begins to threaten the economy at large?

there's a chamber of commerce study that says 185,000 jobs may be at risk as a result of this rapid increase in the minimum wage," added Arnott.

In response to the concerns being levied by the business community - and their own experts - Premier Kathleen Wynne has

gone on record claiming her government would look at a program to help small business offset some of the increased labour costs.

But as Arnott points out, that's not the only financial challenge small business owners - which accounted for more than

70 per cent of employment in Canada in 2016 - are facing in this province.

In May of 2016, the Ontario passed cap and trade legislation, adding to already high energy and fuel costs for both businesses and consumers. Hydro rates in Ontario are some of the highest in country, and rebates knocking 25 per cent off residential hydro bills do not apply to businesses.

In July, the Trudeau government announced a proposal to remove income tax loopholes which allow incorporated, self-employed individuals such as doctors and lawyers to shelter some of their income and help offset operating costs. A decision on that initiative will come at the beginning of October.

"We've heard a lot about this over the summer. I can tell you that the small business community is very concerned about these proposed changes," said Chong. "I had a meeting (last week) with our local chamber of commerce on this issue, and I've heard from dozens of constituents about this issue the last number of weeks."

It's Time.

When you can't keep up with all the appointments and errands. Let Seasons help.

 **Seasons**
MILTON

Retirement Community

Call 905-864-6888

760 Bronte Street South, Milton

www.seasonsretirement.com

